



MISSOURI DEPARTMENT OF NATURAL RESOURCES PUBLIC DRINKING WATER BRANCH PHASE ONE ENGINEERING REPORT SERVICES GRANT PROGRAM

Grant Application and Contractual Requirements for Engineering Report Services for Community Public Water Systems

Calendar Year 2014/2015

Application Deadline: October 20, 2014

The Missouri Department of Natural Resources is accepting grant applications from community water systems for development of an engineering report. Funding comes from the Drinking Water State Revolving Fund (DWSRF) set-asides. If you have any questions regarding this funding opportunity, please contact Ryan Seabaugh of the Public Drinking Water Branch, Infrastructure Permits and Engineering Section at (573) 751-8628 or by email ryan.seabaugh@dnr.mo.gov, or Drinking water Permits and Engineering Section chief at (573) 751-1127 or by email at maher.jaafari@dnr.mo.gov.

This Instruction Sheet contains:

- General Information
- Application Instructions
 - Application Deadline
 - Minimum Eligibility Criteria for Applicants
 - Application Evaluation Criteria
 - Assignment of Priority Points
- Information and Contractual Requirements for Funding Recipients
 - Selecting an Engineer
 - Engineering Pre-Selection Process
 - Criteria for Engineering Report
 - Processing Payments
- Application Form (attached)

GENERAL INFORMATION

What is the purpose of this funding?

The primary purpose of this funding is to help community water systems obtain an engineering report as a first step toward implementing changes that will help the system achieve and maintain technical, managerial and financial capacity, including compliance with the National Primary Drinking Water Regulations and the Missouri public drinking water regulations.

Who can apply?

All Community water systems that meet the Minimum Eligibility Criteria for Applicants contained in this document may apply. The community water system must have a good compliance history and a good operation and maintenance history, unless the system agrees to evaluate and undertake feasible and appropriate changes to bring the system back into compliance.

How will applications be ranked?

Complete applications will be ranked according to priority point criteria and eligibility. Only applications that have been completely filled out and signed will be ranked.

How much funding can I expect?

The contract award amount may vary, but shall not exceed 90% of the costs for engineering report services unless the applicant has been identified as a disadvantaged community. The actual percentage that is awarded may be reduced from 90% based on project scope along with risk and eligibility assessed from the application submittal.

Disadvantaged communities are defined as a community with a population of less than 3,300 whose user rates will be at or above 2% of the state Median Household Income (MHI), and the community's MHI is at or below 75% of the state average MHI. Disadvantaged communities may qualify for up to a 100% grant.

What can I use the funding for?

Funding can only be used for engineering report services within the contract period. Funding provided under this contract shall not be used as reimbursement of expenses for services provided outside the contract period.

Will repayment be required?

Funding provided for these contracts is a grant, not a loan. Repayment is not required.

Is a local match required?

Yes. With the exception of disadvantaged communities, grant funding shall not exceed 90% of the cost to develop the engineering report. The applicant must be able to provide funding for at least 10% of the cost.

APPLICATION INSTRUCTIONS

Application Deadline

Applications must be postmarked or received by October 20, 2014. The application is included with this Information Packet. No deadline extensions will be granted. The completed application and all other required information must be mailed or hand-delivered to the Public Drinking Water Branch, Infrastructure Permits and Engineering Section as follows:

Mail to

Missouri Department of Natural Resources
Public Drinking Water Branch
Infrastructure Permits and Engineering Section
P. O. Box 176
Jefferson City, Missouri 65102-0176

or hand deliver to

Public Drinking Water Branch
Infrastructure Permits and Engineering Section
Lewis and Clark State Office Building
1101 Riverside Drive, 3rd Floor
Jefferson City, Missouri

The Department will notify all applicants of the final selection results after all applications have been reviewed.

Minimum Eligibility Criteria for Applicants

Applicant shall complete the Phase One Engineering Report Services Grant Program Application including the Safe Drinking Water Act Compliance Priority Point Checklist (Section 6 of the application) and return it along with the required supporting documentation to the Public Drinking Water Branch no later than the application deadline. Applicants must meet the following minimum eligibility criteria in order to be eligible for this grant. Applicant signature is required on the Application Form to verify eligibility requirements are met.

1. The System must be an existing community water system.

2. The System shall have a valid Permit to Dispense Water or be taking steps to obtain such a permit. (An application for a Permit to Dispense Water must be received by the Department prior to the October 20, 2014 deadline in order for us to consider the water system to be taking steps to obtain a permit.)
3. The System must have paid all outstanding Program Administration and Laboratory Services fees and must have remitted to the Department the Primacy Fees collected from its customers prior to the October 20, 2014 deadline.
4. The System must employ a certified chief operator or contract operator.
5. The System has not received engineering report funding for three years prior to the deadline for this application submission.
6. The System does not have an engineering report that has been approved by the Department within 2 years prior to the deadline for this application submission.
7. The System must agree to make a good faith effort to pursue recommendations contained in the approved engineering report. A good faith effort is defined as an application for financial assistance, application to the Department for construction permit for one or more recommended projects, or documented technical, managerial and financial capacity improvement.

Because the grants are federally funded, applicants are required to submit a Data Universal Numbering System (DUNS) number. This can be obtained via the internet at <http://fedgov.dnb.com/webform> or by telephone to Dun and Bradstreet at 1-866-705-5711.

Application Evaluation Factors

Applications will be listed in order based on priority points accrued. The purpose of the priority points is to list applications in order so that the most serious problems are given the highest priority. Priority points are based primarily on protection of public health, compliance with the Safe Drinking Water Act and system reliability.

Applicants located within 2014 priority watersheds identified by the *Our Missouri Waters Initiative* may receive additional eligibility priority. More information on the initiative can be found on the Department's website at <http://dnr.mo.gov/omwi.htm>.

Funding amounts in terms of required match will include the following risk and eligibility factors:

- System size based on population served;
- Documentation and detail of supporting information and project scope;
- Complexity of the project compared to system needs and size; and
- Available funds.

Assignment of Priority Points

All applicants are required to submit a brief description of need (narrative) for each item checked in the Safe Drinking Water Act Compliance Priority Point Checklist. To ensure points are applied for the checklist item, documentation supporting your description is recommended. Documentation may include, but may not necessarily be limited to inspections, sanitary surveys, and system records with written operator or system engineer testimony.

Priority points shall be assigned only where the system intends to correct the deficiency or problem associated with the points. For example, if the system has had persistent violations of a secondary MCL, the engineering report must address that problem. No priority points shall be assigned to a checklist item if the deficiency is resulting from inadequate operation and maintenance of the water system, unless the project enables the community water system (CWS) to meet technical, managerial and financial capacity requirements determined by the Department.

Section A: Safe Drinking Water Act Violations and Compliance

- 25 Correction of persistent violations of maximum contaminant levels or treatment performance criteria for acute risk contaminants (such as coliform, turbidity or nitrate) that have occurred within the past 36 months
- 20 Correction of persistent violations of maximum contaminant levels for naturally-occurring contaminants (radium, radon, uranium, arsenic, radionuclides)
- 15 Correction of persistent violations of treatment technique requirements
- 20 Correction of persistent violations of maximum contaminant levels for non-acute risk primary contaminants that have occurred within the last 36 months
- 15 Correction of persistent violations of maximum contaminant levels for secondary contaminants that have occurred within the past 36 months
- 15 Compliance with Missouri's surface water treatment, disinfectants/disinfection by-product, or ground water rules
- 25 Compliance with an administrative order, bilateral compliance agreement, or other enforceable document issued by the Missouri Department of Natural Resources

Section B: Problems with Waterborne Disease, Inadequate Supply or Pressure

- 25 At least 51% of the project will address problems causing a waterborne disease outbreak attributable to the CWS by the Department of Health and Senior Services
- 15 The CWS can document its inability consistently to maintain >35 psi as a normal working pressure in the distribution system
- 20 The CWS can document its inability consistently to maintain >20 psi at all service connections.
- 20 Private or non-community wells or sources in the project service area are unable to consistently provide an adequate amount of potable water for general household purposes and at least 51% of the project addresses this need (Private or non-community wells or sources contaminated by commercial, industrial or mining wastes will be considered in this category.)

Section C: General Infrastructure Problems

- 20 Providing the CWS with a backup well or backup interconnection with another CWS
- 20 Address problem(s) with improper well construction
- 10 Address unaccounted for water loss that exceeds 10% of the drinking water produced by the system, and the loss is due to leaking or broken water lines
- 10 Provide necessary modifications to a distribution system that has exceeded or is anticipated to exceed design capacity or useful life within the next five years
- 10 Address a demonstrated need to replace faulty pipes or substandard pipe materials
- 2 Address a demonstrated need for distribution system valves and flushing devices
- 2 Address a demonstrated need for looping of water mains
- 15 Address an inability to maintain a disinfectant residual at all points in the distribution system
- 15 Address water storage facilities in poor condition not related to inadequate storage
- 2 Provide the CWS with a storage capacity equal to one day's average use or provide the CWS with adequate standby power
- 15 Provide necessary modifications to a source or treatment facility anticipated to exceed design capacity or useful life within the next five years
- 5 Address significant degradation of the quality of raw water supply
- 5 Address significant degradation of the quality of finished water in storage
- 2 Enable the CWS to meet existing state requirements for the treatment and/or storage of waste

- residues generated by the water treatment plant
- 10 Enable repair or replacement of treatment facilities for required disinfection or turbidity removal that are severely deteriorated beyond the useful life of the facility
 - 15 The facility's source has been directly impacted by natural disasters (such as flood or drought) or non-naturally occurring contamination within the last four years.
 - 15 The facility's treatment or distribution system has been impacted by natural disasters (such as flood or drought) or non-naturally occurring contamination within the last four years.
 - 10 At least 51% of the project cost is for repair or replacement of an existing CWS damaged or destroyed by a natural disaster (Note: Documentation must be submitted along with a statement that adequate state or federal disaster relief is not available)

Section D: Regionalization, Interconnection, and Security

- 20 Providing necessary upgrades to facilities of a primary water system to continue or expand its services as a regional supplier
- 20 Result in the permanent supply interconnection of two or more existing CWS (this includes new water systems that allow small water systems within their boundaries to consolidate)
- 10 Result in a regional management system responsible for the day-to-day operation of the water system
- 20 Provide necessary upgrades or new water distribution system to meet the standards of a regional supplier for the purpose of consolidation
- 5 Enable the CWS to enhance water system security

Section E: Technical, Managerial and Financial Capacity Demonstration

- 5 The facility is located within a DNR-endorsed Wellhead or Source Water Protection Area
- 5 At least 50% of the governing body has received training related to operation and management
- 5 System has a written operation and maintenance plan and budget
- 5 The system currently meters all water usage from system connections

INFORMATION AND CONTRACTUAL REQUIREMENTS FOR FUNDING RECIPIENTS

The following information provides detailed instructions if you receive notification that you have been selected for award. The notification letter will also contain information necessary to complete follow-up requirements.

Selecting an Engineer

Funding recipients are responsible for following their own purchase/procurement criteria when obtaining the services of an engineer. However, the procedures and procurement requirements in Sections 8.285-8.291, RSMo apply. The funding recipient must submit the appropriate documentation of the process, as outlined in Engineering Pre-Selection Process. Funding recipients are responsible for selecting an engineer certified in the State of Missouri as a Professional Engineer. The necessary documentation in the Engineering Pre-Selection Process shall be submitted to the Department within 90 days from receipt of the signed award letter. Upon engineering selection, the system representative and the professional engineer shall sign the Three-Party Payment Agreement (Scope of Work). Once the Scope of Work is received, the Department will then finalize the Financial Assistance Agreement (FAA). The FAA and the Scope of Work constitute a contract.

Engineering Pre-Selection Process

The applicant will be notified if funds are available for award. Upon notification, the funding recipient shall proceed with procurement of a qualified engineer or firm. The applicant will have no more than 90 calendar days to procure an engineer, notify the Department, and submit required documentation along with their detailed work plan. Failure to meet the deadline or contact the Department to request a time extension will constitute an incomplete application, and the application will be closed.

The submission shall include the following.

1. A list of the evaluation factors and the scoring system shall be submitted to the Public Drinking Water Branch. The system selection criteria are the record of the process used for pre-selection. The criteria must be logical and support the final decision. The system must base the selection of their desired professional engineer services on the qualification-based selection process. Actual selection scores are not requested but must be kept in the systems' files.
2. A copy of the Request for Statement of Qualifications and the Statement of Qualifications must be submitted to the Department. The Request for Statement of Qualifications tells the potential engineers what you are looking for and allows them to respond, in turn, by a specified attainable deadline.
3. Proof of advertising must be submitted to the Department. Activities to ensure broad solicitation of known or existing firms capable of completing the work must be made. This may take the form of a publication in a newspaper or further solicitation via mail. Note: All solicitation steps are the community's attempt to receive three or more responses.
Effort must be made to solicit Minority Business Enterprise (MBE) and Women Business Enterprise (WBE) firms as required by Chapter 37, RSMo., and associated regulations. More information on compliance with MBE/WBE requirements and a directory of MBE/WBE vendors may be found at Missouri Office of Equal Opportunity (<http://oeo.mo.gov>).
4. Completed Three-Party Payment Agreement (Scope of Work).
5. Detailed Work Plan.
6. For projects totaling \$30,000 or more, a cost sheet including specific tasks with anticipated hourly charges must also be provided.
7. Technical, Managerial, Financial (TMF) Capacity worksheet provided by the Department.

Criteria for Engineering Report

1. The engineering report must be developed and certified by a registered professional engineer licensed in the State of Missouri.
2. The engineering report must be sufficient in scope and detailed to fully address the criteria listed herein.
3. The engineering report must include Form 780-2091: Facilities Plan Submittal Checklist if applying for public funding.
4. The engineering report must follow the detailed work plan that is submitted along with the Three-Party Payment Agreement (Scope of Work).
5. The engineering report must conform to public drinking water regulations found at 10 CSR 60-10.
6. The engineering report will be reviewed based on criteria of the Department's *Minimum Design Standards for Missouri Community Water Systems*, (effective December 10, 2013), which is available electronically on the Department's website or a hard copy is available upon request to the Public Drinking Water Branch at (573) 751-5331. In addition to meeting the above referenced criteria, other required information is listed below.
 - a. General Information
 - i. A detailed description of the existing water system including size and length of waterlines, tanks, wells, treatment plants, and pump stations
 - ii. Name of system operators
 - b. Extent of the Water System(s)

- Appraisal of future requirements and expected growth covering a 20-year period
- c. Alternate Solutions
Specific comparison of feasible alternatives with respect to construction costs, operation and maintenance costs, including environmental considerations where applicable.
 - d. Project financing
 - i. Explain how the applicant will administer the project
 - ii. Explain how construction cost and additional operation and maintenance, including replacement, cost will be covered
 - iii. Present existing and proposed project budget for applicant. Include O&M costs, capital improvement costs, debt repayment and status of reserve accounts
 - iv. Provide the origin of funding for original facility, including existing debt
 - v. Provide the financial status of operating central facilities – rate schedule, annual O&M, status of current debts and reserve accounts and tabulation of users by monthly usage categories
7. All priority point checklist items must be addressed in the engineering report. Failure to adequately address all checklist items will result in reduced funding.
8. The Department must receive one hard copy of the engineering report along with one electronic copy on CD, with a professional engineer's seal on it within seven months from the date the Financial Assistance Agreement (FAA) is signed by the Department. The engineering document should be mailed to:

Missouri Department of Natural Resources
Public Drinking Water Branch
Infrastructure Permits & Engineering Section
P.O. Box 176
Jefferson City, Missouri 65102-0176

Processing Payments

After the engineer is selected, the Three-Party Payment Agreement (Scope of Work) shall be signed by the funding recipient and the engineer. The Scope of Work is an agreement on the payment process. Once the Scope of Work is received, the Department will then finalize the Financial Assistance Agreement (FAA). The FAA and the Scope of Work constitute a contract.

The engineer will submit the necessary engineering cost documentation to the system (receipts, work hours, invoices, etc.). The water system staff will forward the documentation to the Department with a letter approving the expenses. The Department will then pay the water system directly up to 90% of the invoice amount. All subsequent payments by the Department will require proof of payment to the engineering firm of the previous invoice amount. The Department will make the final 25% payment to the engineering firm only after the Department approves, in writing, the engineering report. Funding provided under this contract shall not be used as reimbursement of expenses for engineering services provided outside of the contract period.

The funding recipient is responsible for assuring one hard copy and one electronic copy on compact disk (CD) of the engineering report are received by the Department within seven months from the date the Department signs the FAA.